

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.04 (+02 bps)	GNMA (30 Yr) 6% Coupon:	111-22/32 (1.87%)
6 Mo. T-Bill:	0.07 (+01 bps)	Duration:	3.60 years
1 Yr. T-Bill:	0.12 (unch.)	30-Year Insured Revs:	139.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.30 (+01 bps)	Bond Buyer 40 Yield:	4.35 (+08 bps)
3 Yr. T-Note:	0.51 (+02 bps)	Crude Oil Futures:	96.14 (+4.17)
5 Yr. T-Note:	1.09 (+07 bps)	Gold Futures:	1378.90 (-13.70)
10 Yr. T-Note:	2.17 (+04 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.33 (+05 bps)	U.S. High Yield:	6.55% (+20 bps)
		BB:	5.09% (+16 bps)
		B:	6.62% (+18 bps)

Treasury prices ended the week lower as investors continued to digest economic reports, specifically employment data searching for insight into the future of the Fed's quantitative easing program. Yields were down modestly on Monday as the May ISM manufacturing index dipped to 49.5 vs. expectations of 51. Total vehicle sales in May came in slightly ahead of estimates and domestic vehicle sales matched expectations. Treasury prices were lower Tuesday on investor anticipation of this week's employment report then jumped higher on Wednesday as ADP reported that employment change in May was below consensus estimates. Treasury prices continued higher Thursday as investors continued to take a cautious approach ahead of the employment report. Treasury prices dropped on Friday after the change in nonfarm payrolls was reported to have increased 175,000 in May, ahead of estimates of 163,000, while the unemployment rate ticked higher from 7.5% to 7.6%. Investors may have been expecting a lower number after the ADP report earlier in the week missed estimates. Major economic reports (and related consensus forecasts) for next week include: Tuesday: April Wholesale Inventories (0.20%); Wednesday: May Monthly Budget Statement (-\$110.0B); Thursday: May Advance Retail Sales (0.40%), May Import Price Index (0.0% MoM, -1.4% YoY), April Business Inventories (0.30%); Friday: May Producer Price Index (0.10% MoM, 1.40% YoY), May Industrial Production (0.20%), May Capacity Utilization (77.80%), June U of M Consumer Confidence (84.50).

US Stocks			
Weekly Index Total Return:		Market Indicators:	
DJIA:	15,248.12 (0.92%)	Strong Sectors:	Telecom., Cons. Staples Cons. Disc.
S&P 500:	1643.38 (0.83%)	Weak Sectors:	Info. Tech., Materials, Financials
S&P MidCap:	1181.26 (-0.23%)	NYSE Advance/Decline:	1,447 / 1,717
S&P Small Cap:	554.11 (0.41%)	NYSE New Highs/New Lows:	203 / 343
NASDAQ Comp:	3469.22 (0.41%)	AAII Bulls/Bears:	29.5% / 39.0%
Russell 2000:	987.62 (0.38%)		

U.S. equity markets finished higher this week, S&P 500 gained 13 points or 0.9%, despite volatile trading. World equity markets were mostly down for the week. The Euro Stoxx Index had a -1.6% return; notably the U.K FTSE 100 Index had a -2.5% return for the week. Asian markets did not fare much better as the Japanese NIKKEI Index had a -6.5% return. Monday, equities rallied as the Federal Reserve Bank of Atlanta President Dennis Lockhart stated that officials are committed to record stimulus measures. **Merck & Co.** along with **Bristol-Myers Squibb Co.** both rose over 3% as analysts have stated both companies have promising cancer immunotherapies. **Clovis Oncology Inc.** appreciated 104% as the biotechnology company reported positive early results in a trial of their ovarian cancer drug. Mid-week, stocks fell as economists predicted that the Federal Reserve may reduce stimulus as soon as September and disappointing employment and factor data was released. **General Motors Co.** dropped nearly 3% as the U.S. Treasury announced they have plans to sell their remaining 30 million shares of the American carmaker. The announcement came on the heels that GM had been added to the S&P 500 index. To end the week, equities rallied on a supportive jobs report and continued Federal Reserve stimulus plans. **Costco Wholesale Corp.** edged up nearly 2% as the big box retailer announced comparable same store sales grew 5% in May. **SodaStream International Ltd** saw a boost in their stock price when rumors that **PepsiCo Inc.** was in talks to purchase the home soda machine maker. Next week the Bank of Japan is expected to meet on their nations monetary policy and Iran will elect a new president.